

October 18, 2007

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Following the vote, Rep. Melancon made the following statement:

"For children in Louisiana who depend on SCHIP to get medical care when they are sick, today's vote was a setback, but not a defeat," said Rep. Melancon.

"For working families who struggle to pay the bills and also afford to purchase costly private health insurance for their children - which costs an average of \$12,500 a year for a family of four -- today's vote was another hurdle, but not a roadblock."

"For taxpaying Americans who are concerned about the rising cost of providing health

care - often in an expensive emergency room setting - to children without health insurance and access to preventive care, today's vote was a step back, but not the end of our search for a solution.

"I am disappointed that our efforts were blocked today to provide healthcare to the uninsured children of working families. This bill would have helped almost 200,000 children in Louisiana, and they are the ones who will suffer the most if we do not act now.

"Despite the misinformation that has been spread about SCHIP and this bill, the truth is that this legislation would have pushed states to cover poor children first, and phased out over the next few years the adults who are in the program. While each state sets its own guidelines for their SCHIP programs, this bill would have brought us back to the original purpose of covering uninsured children *only*. Furthermore, this bill specifically prohibits SCHIP from enrolling illegal immigrants.

"Every day, more and more Louisianians lose their health insurance. This problem is not something we can continue to ignore. We need a solution to the healthcare crisis in our country. While SCHIP is not perfect, throwing the baby out with the bathwater is not the answer. We must find a way to make sure more children - not less - can see a doctor when they are sick, and I will continue working in Congress to find ways towards that goal."

Created in 1997, the State Children's Health Insurance Program (SCHIP) provides funding to states to provide healthcare coverage for children in working families who currently lack health insurance, often because their parents cannot afford costly private insurance and their employers do not provide it for them.

Louisiana has one of the most successful SCHIP programs in the nation. In 1999, according to the Louisiana Department of Insurance, the percentage of low income, uninsured children in our state was 31.6 percent - the fourth worst in the country. Today, as a result of the program, that percentage has dropped to 12.5 percent - one of the nation's 10 best.

The bipartisan CHIP Reauthorization Act that the President vetoed is a compromise bill drafted by leading Republicans and Democrats in the House and Senate. The bill would reauthorize SCHIP for the six million children currently enrolled in the program and provides funding to cover an additional four million uninsured children who are eligible for but not currently enrolled in SCHIP.

Children in Louisiana would especially benefit from the CHIP Reauthorization Act. The bill would provide Louisiana with an additional \$60 million, for a total of \$144.1 million, to continue health insurance coverage for the 109,500 children currently enrolled in Louisiana's SCHIP program and to reach the 82,800 children from low income families with no health insurance who are not currently enrolled in SCHIP.

The bipartisan CHIP Reauthorization Act is supported by 43 governors and has been endorsed by more than 270 organizations, representing millions of Americans - ranging from groups such as the American Medical Association and America's Health Insurance Plans to Families USA, the consumer advocacy group.

A fact sheet on the bill is below.

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BIPARTISAN CHILDREN'S HEALTH INSURANCE

PROGRAM (CHIP) REAUTHORIZATION

Today, the House considered a motion to concur in House amendments to Senate amendments to H.R. 976, Children's Health Insurance Program (CHIP) Reauthorization Act of 2007. This represents the bipartisan House-Senate agreement on this legislation. This bill reauthorizes the Children's Health Insurance Program (CHIP), which expires on September 30, 2007, for five years and provides health care coverage for more than 10 million children. Below are highlights of some of the bill's provisions.

Invests \$35 billion in new funding for CHIP. The bill reauthorizes the Children's Health Insurance Program, investing an additional \$35 billion over five years to strengthen CHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive. As Republican Senator Grassley has pointed out, "As far as the size of the package, it's important to understand that about half of the new money is needed just to keep the program running, and the rest goes to cover more low-income kids."

Ensures health care coverage for more than 10 million American children. First, the bill ensures that the 6.6 million children who currently participate in CHIP continue to receive health care coverage. It also extends coverage to 3.8 million children who are currently uninsured, according to the nonpartisan Congressional Budget Office.

Does not "expand" CHIP; simply provides for enrolling children who are currently eligible but not yet enrolled. This bill does nothing to "expand" the CHIP program; it maintains current law regarding children's eligibility for CHIP. Two-thirds of uninsured children are currently eligible for coverage through CHIP or Medicaid - but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach millions of uninsured children who are eligible for, but not enrolled in, the program.

Targets lowest-income uninsured children for outreach and enrollment. The bill is designed to target specifically the lowest-income uninsured children for outreach and enrollment in CHIP coverage. The bill does NOT call for CHIP coverage for children in families at higher income levels. Instead, it reduces federal matching funds for future coverage of children at higher income levels, and provides incentives to cover the lowest-income children instead.

Prioritizes children's coverage. The bill contains provisions to phase out the coverage of parents and childless adults in CHIP. However, it provides coverage of pregnant women as a new state option as well as preserving the options to cover pregnant women through a state waiver or through regulation.

Improves CHIP benefits -- ensuring dental coverage and mental health parity. Under the bill, quality dental coverage will now be provided to all children enrolled in CHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under CHIP.

Provides states incentives to enroll uninsured low-income children. The bill provides incentives for states to lower the rate of uninsured children by enrolling eligible children in CHIP and Medicaid, including providing bonus payments. States will receive state-based allotments that are responsive to state demographic and national spending trends. States that face a funding shortfall and meet enrollment goals will receive an adjustment payment to ensure that no child who is eligible for Medicaid or CHIP is denied coverage or placed on a waiting list.

Replaces CMS August 17th letter to the states. On August 17, the Center for Medicare and Medicaid Services (CMS) sent a letter to the states drastically changing federal policy and placing unrealistic conditions on the ability of states to cover children above 250 percent of poverty. This bill replaces that letter. First, the bill states that it agrees with the President on the importance of ensuring that low-income children have health coverage and taking steps to address substitution of private coverage. Secondly, the bill replaces the letter with a more appropriate approach. In place of the letter, the bill gives states time and assistance in developing and implementing best practices to address substitution of coverage. The bill also puts the lowest-income children first in line by phasing in a new requirement for coverage of low-income children as a condition of receiving CHIP funding for coverage of children above 300 percent of poverty.

Improves outreach tools to streamline enrollment of eligible children. The bill provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improves the quality of health care for low-income children. The bill establishes a new quality child health initiative to develop and implement quality measures and improve state reporting of quality data.

Is fully paid for - by raising the tobacco tax by 61 cents a pack. The higher the cost of cigarettes, the less likely kids will take up smoking. According to the Campaign for Tobacco-Free Kids, a 61-cent increase in the tobacco tax means that 1,873,000 fewer children will take up smoking.

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